



SECURITIES ACT, 1967

Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

EARLY BIRD MINES LTD. (N.P.L.)

Head Office: 105-1033 West Pender Street, Vancouver, B.C.
Registered Office: 901-900 West Hastings Street, Vancouver, B.C.
(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	SEE SCHEDULE ATTACHED (ITEM 1)
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	SEE SCHEDULE ATTACHED (ITEM 1)
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	SEE SCHEDULE ATTACHED (ITEM 1)
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	SEE SCHEDULE ATTACHED (ITEM 4)
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	The Company was incorporated under the laws of the Province of British Columbia by Memorandum of Association on September 20, 1965.
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	SEE SCHEDULE ATTACHED (ITEM 6)
7. State the share capitalization of the issuer showing authorized and issued capital.	The Company is authorized to issue 5,000,000 shares without nominal or par value, of which 2,202,676 shares are issued and outstanding.
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	None
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	SEE SCHEDULE ATTACHED (ITEM 1)

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10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.

SEE SCHEDULE ATTACHED (ITEM 10)

11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.

None

12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.

SEE SCHEDULE ATTACHED (ITEM 12)

13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.

SEE SCHEDULE ATTACHED (ITEM 12)

14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.

SEE SCHEDULE ATTACHED (ITEM 12)

15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.

SEE SCHEDULE ATTACHED (ITEM 12)

16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.

SEE SCHEDULE ATTACHED (ITEM 16)

17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.

SEE SCHEDULE ATTACHED (ITEM 12)

18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.

SEE SCHEDULE ATTACHED (ITEM 18)

19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.

SEE SCHEDULE ATTACHED (ITEM 19)

INTERIM LISTING

On October 31, 1967, one Alfred William Luddit, a former employee of the Company, commenced an action against the Company in the Supreme Court of British Columbia claiming damages for breach of contract of employment, which claim arose from and out of dismissal of the said employee. The Company denies all liability and the matter is still pending.

20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	\$10,500.00
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a <i>pro rata</i> basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	SEE SCHEDULE ATTACHED (ITEM 1)
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	SEE SCHEDULE ATTACHED (ITEM 23)
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	None
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	The Company holds 300,000 shares of Uranus Uranium Corporation Ltd. (N.P.L.) valued at \$1.00 on the books of the Company. There is no market for the shares of Uranus Uranium Corporation Ltd. (N.P.L.) it being a private company.

27.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated February 24, 1969.

EARLY BIRD MINES LTD. (N.P.L.)

Per: *Eric L. White*

Per: *Donald G. White*

Per: *B. Templeton*

Per: *W. B. Berrett*

Per: *J. G. Galloway*

Per: *J. L. Mathers*

Per: ERIC L. WHITE by his agent, DONALD G. WHITE
CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated February 24, 1969.

[Corporate Seal.]

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S.H. LENTARD & CO., LTD.

Per: *John W. L. Lentard*

John W. L. Lentard

INTERIM LISTING

SCHEDULE TO STATEMENT OF MATERIAL FACTS

EARLY BIRD MINES LTD. (N.P.L.)

ITEM 1

By Agreement in writing made and dated for reference the 13th day of February, 1969, S.H. Lennard & Co. Ltd. (the "Underwriter") agreed to underwrite 150,000 shares of the Company at \$1.00 per share to net to the Company \$150,000, such shares being for primary distribution in British Columbia. The said Agreement also provided that in consideration of the firm underwriting, the Underwriter shall have the right of first refusal to arrange and/or provide further financing which may be required by the Company during the six month period after the Company receives the proceeds of the firm purchase.

S.H. Lennard & Co. Ltd. of 789 West Pender Street, Vancouver, B.C. is acting on its own behalf as Underwriters and there are no sub-underwriters or sub-options.

Subject to the approval and requirements of the Vancouver Stock Exchange at such time as the Company commences a production program recommended by its engineers in respect of a property or properties held by it or its subsidiaries, the Company has agreed to grant Donald G. White, President of the Company, and S. Keith Shanklin, Managing-Director of the Company, options to purchase 25,000 shares and 100,000 shares respectively at \$1.00 per share net to the Company. At the date hereof, the Company has not commenced production of any of its properties and, accordingly, the Vancouver Stock Exchange has not considered or approved any such options.

The shares purchased by the Underwriter will be offered for sale to the public through the facilities of the Vancouver Stock Exchange at the market price at the time of offering.

During the preceding 90 days over-the-counter trades of the Company stock have ranged between a low of 65¢ and a high of \$1.25 per share.

ITEM 4

The estimated proceeds to be derived by the Company from the sale of the shares hereby offered are intended to be used as follows:

(a)	Payment of current indebtedness	\$28,000
(b)	Commencement of work programs recommended by A.R. Bullis, P. Eng., as summarized in his report dated February 19, 1969	73,000
(c)	Reimbursement of Lodi Mines Ltd. for sums laid out to acquire San Felipe Mine	\$28,000
	Estimated incorporation, legal and operating expenses of new Peruvian subsidiary to be incorporated to acquire, hold and develop the San Felipe Mine and surrounding properties on behalf of the Company	21,000
		<hr/>
		\$150,000

The proceeds of this offering will not be applied to any other property or purpose of the Company save as aforesaid, unless the consent of the Vancouver Stock Exchange is first obtained and a full engineering report and such other information as may be required is filed with the Vancouver Stock Exchange.

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ITEM 6

The Directors and Officers of the Company are as follows:

Donald G. White, President & Director	6068 Wiltshire Street, Vancouver, B.C.	Chartered Accountant (Retired)
Frederick W. Harris, Secretary-Treasurer & Director	470 Kent Street, Vancouver, B.C.	Comptroller
E. Barry Templeman, Director	6491 Charles Street, Burnaby, B.C.	Graphic Arts Designer
S. Keith Shanklin, Managing-Director	401-1101 Pacific Street, Vancouver, B.C.	Executive
John L. Mathers, Director	4101 Burkelhill Road, West Vancouver, B.C.	Executive
Eric L. Teed, Vice-President & Director	303 Harbour Bldg., St. John, New Brunswick	Barrister & Solicitor
Thomas A. Kennedy, Director	4605 Bellevue Avenue, West Vancouver, B.C.	Executive

ITEM 10

The beneficial shareholders of S.H. Lennard & Co. Ltd. holding more than 5% of each class of shares are:

John D. Devine, 6355 Marguerite St., Vancouver, B.C.	Common "A" Preferred "B"	1,140 15,240	28% 50.8%
James C. Butler, 7308 Angus Drive, Vancouver, B.C.	Common "A" Preferred "B"	720 3,720	17.6% 12.4%
Frank C. Hunnissett, 1930 Nelson Street, Vancouver, B.C.	Common "A" Preferred "B"	360 2,520	8.8% 8.4%
Desmund A. Eadie, 5530 McMaster Street, Vancouver, B.C.	Common "A" Preferred "B"	540 3,360	13.2% 11.2%
Paul K. Roblin, 5330 Kew Road, West Vancouver, B.C.	Common "A" Preferred "B"	540 -	13.2%
Robert M. Randall 2890 Bellevue Avenue, West Vancouver, B.C.	Common "A" Preferred "B"	360 2,520	8.8% 8.4%

ITEM 12

The Company holds interests in and intends operating properties in four areas as follows:

A. Uranium City Area, Saskatchewan

By agreement dated January 2, 1968, the Company acquired an option to purchase the JIM No. 1 mineral claim, Athabasca Mining District, Saskatchewan, Record No. S-82350, from Lodi Mines Ltd., 801-900 West Hastings Street, Vancouver, B.C., a company controlled by S. Keith Shanklin, Insider, Managing-Director and Promoter of the Company, in consideration for the payment of 400,000 shares in the capital stock of the Company plus \$90,000 cash. All shares have been issued and a total of \$40,000 cash paid, leaving a balance of \$50,000 payable by two instalments of \$25,000 each, due the 20th days of September, 1969 and 1970. The

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Company also acquired from Lodi Mines Ltd. the Abbe Fraction, Record No. S-82909, which lies adjacent to the JIM No. 1 claim at the \$250 staking cost.

Ore reserves on the JIM No. 1 and Abbe Fraction claims are as follows:

- (a) Drill-indicated reserves, calculated by A.R. Bullis, P. Eng., are 35,000 tons averaging .22% U308;
- (b) Possible reserves, based on a statistical projection of the Boundary Vein Structures by A.R. Bullis, P. Eng., could amount to 450,000 tons, no estimate of grade being given, though in the opinion of the engineer, because the Boundary Vein has been continuous and strong, there should be no change in the geological environment at depth.

During 1968, eleven holes totalling some 2,860 feet were drilled on the property at a cost of \$37,572. Currently, two drills are operating on the property's central ore zone in an effort to complete a \$58,000 program before March 31, 1969 to qualify expenditures for the 50% reimbursement under the Saskatchewan Precambrian Incentive Program.

B. Rambler Hill Area, Yukon Territory

The Company holds 16 mineral claims in the Mayo Mining Division, Y.T., known as the DOG 1-16 claims, Record Nos. 83307 - 83322 acquired from Gerald A. Brownrigg, of 301, 7111 Linden Avenue, Burnaby B.C., past president and director of the Company, in consideration for the issue of 100,000 shares, all of which have been issued as fully paid and non-assessable.

No ore reserves have been proven on the property.

During 1968, the only work done on the property was bulldozer trenching and road work for a total expenditure, including engineering, of approximately \$2,200.

C. Puno Area, Province of Carabaya, Peru

By agreements dated February 15, 1966 and amended January 20, 1969, the Company acquired from Clarence Lee Woods of the City of Lima, Peru and Guy A. Woods of the City of Portland, Oregon, U.S.A., an option to purchase all outstanding stock of Inca Mining & Development Company, a Delaware corporation, which, together with its subsidiary, Compania Minera Aurifera Inambari Ltda., holds 20 mineral claims in the District of Puno, Peru. The full purchase price was \$200,000 U.S. Funds, which was reduced to \$97,500 U.S. Funds, of which \$34,500 has been paid to date. The balance of \$63,000 is payable to the vendors by equal semi-annual instalments of \$2,500 each on the 30th days of June and December in each year, provided that, if after \$45,000 of the said \$63,000 has been paid before the property is in production, the next \$20,000 shall be deemed paid in full.

Eighteen of the claims comprise the group known as the Santo Domingo Mine on which the Company intends doing no work at present.

Two claims contain placer workings on which the Company is cutting ditches and installing pipe to supply two 4" monitors which will be used to commence production in a small way to permit an engineering assessment of the properties' potential.

During 1968, a total of \$67,642 was spent in exploration work on the properties.

D. Nazca Area, Peru

Lodi Mines Ltd., acting on behalf of the Company, negotiated an agreement dated January 20, 1969, with Leonidas Vanini, Ernesto Salamon, Fernando Tejerina, Ernestina Grimaldi de Tejerina and Mauricio Hoschild & Co., all of Nazca, Peru, whereby the Company acquired an option to purchase the San Felipe Mine (including machinery, equipment and instal-

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lations) and the San Felipe X, Leonor, Leonor I and Dona Tina mineral claims for a total purchase price of \$150,000 U.S. Funds, of which \$40,000 has been paid to date, the balance of \$110,000 being payable within three years from June 18, 1968 or, if production commences within the three year period, by instalments of \$50,000 at six month intervals after commencement of production. Mauricio Hoschild & Co. have a right of first refusal to purchase all ore extracted from the property until December 31, 1973.

Until the Company acquired it, the San Felipe Mine was being worked in a small way, there being two timbered shafts 480 meters apart sunk on the main vein to a depth of approximately 90 feet each. A.R. Bullis, P. Eng., basing his calculations on observation of the vein between the two shafts, estimated a possible reserve of ore sufficient to maintain a production rate of 200 tons per day for a period of 4 to 5 years. Flow sheets prepared on results of the "head" sample assays by Britton Research Ltd. indicated a possible gross operating profit of \$1,360,000 per annum, assuming production and processing of 300 tons per day, which would amortize within one year the estimated capital cost of \$1,305,000 for installation of a mill and extraction equipment.

During 1968, the Company expended only the cost of acquiring the option and engineering report on the property.

ITEM 16

The Promoters of the Company during the preceding two years have been George F. Teed and S. Keith Shanklin. Neither received consideration in the form of shares or cash for their services as such. However, S. Keith Shanklin was engaged as Managing-Director of the Company on December 1, 1968 at a salary of \$1,000 per month. Reference is made to Item 1 hereof for particulars of an agreement to grant a stock option to S. Keith Shanklin.

ITEM 18

Beneficial holders of escrow shares in the capital stock of the Company:

Name and Address	Number of Shares	Percentage of Issued Shares
Lodi Mines Ltd., 302, 550 Burrard Street, Vancouver, B.C.	310,000	14.0%
James William Price, 10712-83rd Avenue, Edmonton, Alberta.	45,000	2.0%
George Michalow, P.O. Box 666, Uranium City, Saskatchewan.	45,000	2.0%
Gerald A. Brownrigg, 301, 7111 Linden Avenue, Burnaby, B.C.	15,000	.7%
William Baker, 5864 Cambie Street, Vancouver, B.C.	10,000	.4%
Virgil I. Gamet, 2002 Quilchena Crescent, Vancouver, B.C.	10,000	.4%
Alex G. Halliday, 3177 West 19th Avenue, Vancouver, B.C.	10,000	.4%

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Leslie E. Pollock
3409 West 43rd Avenue,
Vancouver, B.C.

10,000

.4%

George F. Teed,
c/o 60 Prince William Street,
St. John, N.B.

45,000

2.0%

All escrowed shares are held by Guaranty Trust Company pursuant to escrow agreements providing, inter alia, that except with the written consent of the British Columbia Securities Commission, holders of escrow shares will not sell, assign or transfer the said shares and, if the Company loses or does not obtain good and marketable title to or abandons developments of any property which was or formed part of the consideration for any of the shares in escrow, there shall be surrendered by way of gift to the Company for cancellation such number of escrow shares as the Superintendent of Brokers in his sole discretion deems fair and equitable, and in such manner or proportion as the Superintendent of Brokers may direct.

ITEM 19

S. Keith Shanklin is the only person or company known to own more than 5% of the issued shares of the Company. He is the recorded and beneficial owner of 30,900 shares representing 1.4% of the issued shares of the Company; Lodi Mines Ltd. (of which S. Keith Shanklin is the controlling shareholder, holding 3 of 4 issued shares) is the recorded and beneficial owner of 410,000 shares representing 18.6% of the issued shares of the Company.

ITEM 23

During 1968, 400,000 shares were issued at a price of 30¢ per share pursuant to a Prospectus of the Company and 180,176 shares at a price of 75¢ per share pursuant to a rights offering by the Company in December, 1968.

There were issued to Gerald A. Brownrigg of 301-6971 Linden Avenue, Burnaby, B.C., past President of the Company, 20,000 shares in consideration for his services to the Company, in lieu of salary, such shares being valued at 25¢ per share.

Pursuant to an operating agreement, the Company issued 100,000 shares to Lodi Mines Ltd. in satisfaction of management and operating expenditures by the latter on behalf of the Company and for that purpose such shares were valued at 20¢ per share.

PURCHASERS RIGHT OF RESCISSION

Section 61 of the Securities Act, 1967 contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase in certain events. The purchaser may rescind where:

- (a) Section 60 has not been complied with;
- (b) Written notice of intention to commence an action for rescission of the contract is served upon the person who contracted to sell the securities within 60 days of the day of delivery of the written confirmation of the sale of the securities; and
- (c) The Purchaser is still the owner of the security.

This statement of the Purchasers right of rescission is indicative only and not intended to be comprehensive. For complete details, reference should be had to the Sections of the Act.

BROWN, STEELE, JOHNSTONE & COMPANY
CHARTERED ACCOUNTANTS

J. J. BROWN, B.Com., C.A.
D. G. STEELE, B.A., C.A.
K. S. JOHNSTONE, C.A.
J. D. CRAIG, C.A.

THIRD FLOOR
550 BURRARD STREET
VANCOUVER 1, CANADA

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Balance Sheet of Early Bird Mines Ltd. (N.P.L.) as at December 31st, 1968 and the Statement of Source and Application of Funds for the period then ended. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We have not verified mineral claims directly with Government Registry Offices, but have accepted solicitors' opinions that the Company is the beneficial owner of all mineral claims recorded in its accounts and that all claims owned, held under option, or leased were in good standing.

Subject to the foregoing, in our opinion, these financial statements present fairly the financial position of the Company as at December 31st, 1968 and its source and application of funds for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Brown, Steele, Johnstone & Company

CHARTERED ACCOUNTANTS

March 25th, 1969
Vancouver, Canada

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

BALANCE SHEET AS AT DECEMBER 31st, 1968

<u>ASSETS</u>		<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	
<u>CURRENT ASSETS</u>		<u>CURRENT LIABILITIES</u>	
Cash	\$ 59,937	Accounts and wages payable Due to directors	\$ 19,994 7,500
INVESTMENT (Note 1)	1	Due to Lodi Mines Ltd. (Note 6)	<u>343</u> \$ 27,937
SAN FELIPE PROPERTIES (Note 2)	24,003	<u>SHAREHOLDERS' EQUITY</u>	
INSTALMENT PAYMENTS ON SHARE PURCHASE AGREEMENT (Note 3) (\$32,500 U.S.)	35,019	Share Capital	
MINERAL PROPERTIES, at cost (Note 4)	<u>140,250</u>	Authorized: 5,000,000 shares without nominal or par value	
Less: Amounts owing thereon	<u>50,000</u>	Issued: 2,202,676 shares (Note 7)	470,382
FIXED ASSETS, at cost (Note 5)	3,494		
DEFERRED COSTS			
Equipment			
Administration expenses, per Schedule "1" Exploration and development expenses, per Schedule "2" Organization costs	88,887 193,808 2,920 <u>285,615</u>		
APPROVED ON BEHALF OF THE BOARD	\$ 498,319	Contingent Liability (Note 8)	\$ 498,319
"D. G. WHITE"	Director		
"F. W. HARRIS"	Director		

This is the Balance Sheet referred to in the report of Brown, Steele, Jointstone & Company, Chartered Accountants, dated March 25th, 1969.

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31st, 1968

1. INVESTMENT

Pursuant to an agreement dated May 31st, 1968 the Company sold its interest in two claim blocks located in the Athabasca Mining District, Saskatchewan, which it had acquired for \$90,000 to be paid at a future date. In consideration, the purchaser, Uranus Uranium Corporation Ltd. (N.P.L.), assumed the balance owing of \$90,000 on the option agreement and agreed to issue 300,000 of its shares to the Company. The shares in Uranus Uranium Corporation Ltd. (N.P.L.) have been valued at \$1.00, as the Company is a private Company and there is no active market for these shares.

2. SAN FELIPE PROPERTIES

By an agreement dated January 20th, 1969, E.A. Burnett, representing Lodi Mines Ltd., agent for Early Bird Mines Ltd. (N.P.L.), acquired an interest in certain mines and mineral claims in Peru, referred to as the San Felipe properties, from F. Tejerina and other parties. The total consideration for the properties was \$150,000 U.S.

The consideration for the properties was allocated and is payable as follows:

\$10,000 for purchase of San Felipe Mine and an adjacent mineral claim, payable on execution of agreement.
\$17,570 for machinery and all installations on the properties, payable on execution of agreement.
\$12,430 for payment of debts of former owners, payable on execution of agreement.
\$110,000 for other mineral claims surrounding San Felipe Mine, payable within three years from June 18th, 1968, provided that if production commences within this period, \$20,000 will be paid within six months of commencing production and further payments of \$50,000 and \$40,000 at six month intervals thereafter.

The Company is in the process of incorporating a Peruvian Company which will acquire and develop the San Felipe properties. Early Bird Mines Ltd. (N.P.L.) will own beneficially all outstanding shares of the Peruvian company.

All exploration and other costs, and amounts expended with regard to the acquisition of these properties to December 31st, 1968 have been recorded as advances on account of the San Felipe properties.

continued.....

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31st, 1968

3. SHARE PURCHASE AND LEASE AGREEMENTS

On February 15th, 1966, the Company entered into an agreement with Inca Mining and Development Company and Compania Minera Inambari under which certain mineral claims, and the mill and equipment of these companies in Peru were leased for a period of five years and fifteen days. There is no rental payable under the lease but the Company undertook to carry out exploration and development work, as defined in the agreement, on these claims.

If exploration and development work is not carried out for a period of one year and fifteen days, the agreement will be terminated and the benefit of all expenditures made would belong to the companies.

The company also agreed to purchase all the issued shares of Inca Mining and Development and approximately 80% of the issued shares of Compania Minera Inambari for a total consideration of \$200,000 U.S. funds. The amount due under the agreement to December 31st, 1968 was \$57,500 U.S. of which only \$32,500 U.S. had been paid.

The agreement provides that, if prior to February 14th, 1971, there has been a breach in the performance of the share purchase and/or lease agreement, the shares, which are to be held in escrow until the terms of both agreements have been fully complied with, will be released to the original vendor who will be under no obligation to refund any monies paid prior to the breach. No proceedings were commenced by the vendor in this regard, and subsequent to December 31st, 1968, the agreement was renegotiated to provide for a total consideration of \$97,500 U.S. with the remaining balance of \$65,000 payable as follows:

\$2,000 on execution of agreement.

\$3,000 by June 30th, 1969.

\$2,500 semi-annually thereafter until paid,

provided that should the Santo Domingo Mine not be in production after \$45,000 has been paid, the next \$20,000 shall be deemed to be paid in full.

4. MINERAL PROPERTIES

Pursuant to agreements dated January 2nd, 1968 and April 30th, 1968, the Company obtained an option to acquire a mineral claim situated in the Athabasca Mining District, Saskatchewan. The total consideration for the property was \$90,000 cash and 400,000 shares of the Company, valued at \$.10 each. Of the \$90,000, \$40,000 had been paid to December 31st, 1968, with the balance of \$50,000 payable in annual

continued.....

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31st, 19684. MINERAL PROPERTIES (cont'd)

instalments of \$25,000 on September 20th, 1969 and 1970	\$ 130,000
A mineral claim adjacent to the above claim has also been acquired at a cost of \$250.	250
In addition to the above claims, the Company is the recorded or beneficial owner of 16 claims in the Mayo Mining Division, Yukon Territory, acquired for 100,000 shares of the Company valued at \$.10 each	10,000
	\$ 140,250

5. DEPRECIATION

No depreciation has been claimed on the Company's fixed assets.

6. OPERATING AGREEMENT

The operating agreement between the Company and Lodi Mines Ltd. with regard to the mineral claims situated in Saskatchewan and in Peru was terminated as of November 30th, 1968.

Lodi Mines Ltd. has an agreement dated October 18th, 1967, with the Provincial Government of Saskatchewan by which 50% of the expenditures it makes on the mineral claim in Saskatchewan will be reimbursed, subject to Government approval of the expenditures submitted and to a maximum annual reimbursement of \$50,000. This agreement is under the Government's Pre-Cambrian Incentive Program, and Early Bird Mines Ltd. (N.P.L.) is receiving full credit from Lodi Mines Ltd. for the amounts reimbursed. It is estimated that an additional \$10,000 will be received on account of expenditures to December 31st, 1968.

7. SHARE CAPITAL

During the four months ended December 31st, 1968, 180,176 shares were issued for cash. Since incorporation shares have been issued for the following consideration:

	Number of Shares	Value
For cash	1,582,676	\$ 395,382
For properties	500,000	50,000
For former president's salary	20,000	5,000
For exploration work	100,000	20,000
	<u>2,202,676</u>	<u>\$ 470,382</u>
		continued.....

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31st, 1968

7. SHARE CAPITAL (cont'd)

Subject to the approval of the Vancouver Stock Exchange, the Company has agreed to grant to two directors of the Company options to purchase 125,000 shares for \$1.00 a share, at such time as the Company commences a production program on property held by it or its subsidiaries, as recommended by its engineers. At the date hereof the Company has not commenced production of any of its properties and accordingly the Vancouver Stock Exchange has not considered or approved any such options.

Pursuant to an agreement dated for reference February 13th, 1969, S. H. Lennard & Co. Ltd. has agreed to underwrite 150,000 shares of the Company at \$1.00 a share, payable upon approval of the agreement by the Vancouver Stock Exchange. If the Vancouver Stock Exchange does not approve the agreement by March 27th, 1969, the agreement is terminated.

8. CONTINGENT LIABILITY

The Company is defending an action by a former employee, who is claiming damages for an alleged breach of contract of employment, which action has not been set for trial.

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

SOURCE AND APPLICATION OF FUNDSFOR THE PERIOD FROM SEPTEMBER 20th, 1965(DATE OF INCORPORATION) TO DECEMBER 31st, 1968

Period From	Period Ended
September 20th, 1965 to August 31st, 1968	December 31st, 1968

<u>WORKING CAPITAL AT BEGINNING OF PERIOD</u>	\$ -	\$ 27,583
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SOURCE OF FUNDS

Sale of shares	<u>260,250</u>	<u>135,132</u>
	<u>260,250</u>	<u>162,715</u>

APPLICATION OF FUNDS

Mineral claim	-	250
San Felipe properties	-	24,003
Option payments on claims	-	40,000
Investment	1	
Payments on share purchase agreement	31,785	3,234
Equipment	2,731	763
Exploration and development expenses	134,694	39,114
Administration expenses	61,787	22,100
Organization costs	<u>1,669</u>	<u>1,251</u>
	<u>232,667</u>	<u>130,715</u>

<u>WORKING CAPITAL AT END OF PERIOD</u>	\$ <u>27,583</u>	\$ <u>32,000</u>
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EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

ADMINISTRATION EXPENSESFOR THE PERIOD FROM SEPTEMBER 20th, 1965 (DATE OF INCORPORATION)TO DECEMBER 31st, 1968

	<u>Period From</u> <u>September 20th,</u> <u>1965 to August</u> <u>31st, 1968,</u>	<u>Period Ended</u> <u>December</u> <u>31st, 1968</u>	<u>Total to</u> <u>Date</u>
Legal, accounting and audit	\$ 25,929	\$ 12,123	\$ 38,052
Professional fees	1,381	-	1,381
Bank charges and interest	672	355	1,027
Stationery and office expenses	1,501	662	2,163
Printing, advertising and promotion	8,245	2,893	11,138
Telephone and telegraph	5,413	2,679	8,092
Travel and entertainment	8,950	1,189	10,139
Rent and utilities	3,112	20	3,132
Salaries	10,000	-	10,000
Registrar and transfer fees	<u>1,504</u>	<u>2,172</u>	<u>5,762</u>
<u>TOTAL</u> , to Exhibit "A"	<u>\$ 66,707</u>	<u>\$ 22,100</u>	<u>\$ 88,807</u>

EARLY BIRD MINES LTD.

(Non-Personal Liability)

Vancouver, B. C.

EXPLORATION AND DEVELOPMENT EXPENSES

FOR THE PERIOD FROM SEPTEMBER 20th, 1965

(DATE OF INCORPORATION) TO DECEMBER 31st, 1968

Period From September 20th, 1965 to August 31st, 1968	Period Ended December 31st, 1968	Total to Date
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ERUVIAN MINERAL PROPERTIES (Note 3)

Assaying	\$ -	\$ 1,000	\$ 1,000
Consulting, legal and other fees	11,160	8,179	19,339
Travelling expenses and freight	27,670	5,487	33,157
Salaries and wages	59,766	8,489	68,255
Supplies	13,100	450	13,550
Property taxes	3,596	142	3,738
Other	7,535	1,058	8,593
Prospecting and field	2,832	828	3,660
	<u>125,659</u>	<u>25,633</u>	<u>151,292</u>

AMBLER HILL CLAIMS, Yukon Territory (Note 4)

Assaying	52		52
Bulldozing	1,200		1,200
Consulting fees	1,506		1,506
Wages	2,690		2,690
Travelling expenses	427		427
Supplies and equipment rentals	3,319		3,319
Upkeep of claims	1,770		1,770
	<u>10,964</u>	<u>-</u>	<u>10,964</u>

IM CLAIM, Saskatchewan (Note 4)

Assaying	340	-	340
Consulting fees	3,711	1,169	4,880
Drilling	18,040	11,062	29,102
Supervision wages	2,000	1,250	3,250
	<u>24,091</u>	<u>13,481</u>	<u>37,572</u>
Less: Government rebate	<u>6,020</u>	<u>-</u>	<u>6,020</u>
	<u>18,071</u>	<u>13,481</u>	<u>31,552</u>

OTAL, to Exhibit "A"\$ 154,694 \$ 39,114 \$ 193,808

BULLIS ENGINEERING LTD.

TELEPHONE 943-4541
5215 SARATOGA DRIVE
LADNER, B.C.

Board of Directors,
Early Bird Mines Ltd. (N.P.L.),
#105 - 1033 West Pender Street,
Vancouver, B.C.

February 19th, 1969

Early Bird Mines Ltd. (N.P.L.) have three properties either under exploration at present or have exploration programmes recommended for them. The properties are described in my reports dealing with the "Jim #1 Mineral Claim", the San Felipe property and the "Dog Mineral Claims". The reader is referred to these reports for details regarding the properties.

JIM #1 Mineral Claim

The Jim #1 Mineral Claim located near Uranium City, Saskatchewan, is now being explored by two diamond drills. The Stage 2, recommended in my report to the Board of Directors of Early Bird Mines Ltd. (N.P.L.) dated September 5th, 1968, is now underway.

The recent drilling included two additional holes in the Boundary Vein (Holes 10 and 11) and a beginning made on the recommended programme to explore the possible continuation of the ore-bearing structures found on the New Lake Cinch property. The two holes on the Boundary Vein intersected the Foot-Wall section and have increased the drill indicated reserve by 2,000 tons.

Holes 14A and 14B located five new radioactive zones; one zone was narrow and low-grade and was not assayed; the other four zones are as follows:

cont'd.

JIM #1 Mineral Claim - cont'd.

<u>Length</u>	<u>Grade</u>
7.0 ft.	0.085% U308
2.0 ft.	0.45% "
2.0 ft.	0.23% "
1.0 ft.	0.50% "

No correlation of these intersections with any known vein, or structure, is possible until more drilling has been done along the strike.

The completion of "Stage 2" will require the expenditure of a total of \$58,000 for some 6,000 feet of diamond drilling.

In addition, I recommend that all the ore-bearing structures and veins found on the Jim Claim to date be explored by surface bore holes to a vertical depth of at least 600 feet. Sufficient information should be obtained by such a programme to allow for the planning and installation of the mining plant.

The additional drilling will be not less than 5,000 feet at an estimated cost, for drilling, assaying and supervision, of \$45,000. A core-storage building and warehouse should be built on the Jim #1 Claim at a cost of approximately \$5,000. The total additional expenditure on the Jim Claim drilling programme will be \$50,000.

I further recommend that the "Stage 3", dealing with underground development, should be held in abeyance until the above surface drilling is completed. The cost of the deferred "Stage B" is estimated to be \$237,000, as set out in my report of September 5th, 1968. The recommended development will become necessary at some future date, depending on the results obtained from the recommended drill programmes.

JIM #1 Mineral Claim - cont'd.

The drilling programme on the Jim #1 Mineral Claim should have first priority in the immediate plans of Early Bird Mines. With sufficient funds, the above programme can be completed by the summer of 1969.

The San Felipe Property

The San Felipe property in Peru should have second priority. The exploration and development programme, recommended in my report of October 3rd, 1968, should be commenced as soon as practical. The necessary mining plant and sinking equipment will have to be assembled at the mine site and suitable personnel recruited. The timing of the programme will depend on the availability of funds. I foresee no changes in the recommended programme and the cost should remain at \$100,000.

Following the development programmes recommended above, it will be necessary to provide funds to place the mine in production. In my brief report of October 17th, 1968, I have estimated the cost, to bring the mine into production at a rate of 200 tons per day and build a 300 ton per day leaching plant, to be \$1,305,000. The ultimate cost will depend on the success of the development programme and the final design of the concentrating plant. The preliminary estimate of \$1,305,000 may be materially changed but it is evident that a considerable sum will be necessary beyond the development stage.

cont'd.

Dog Claims

The lowest priority should be given to the Dog Mineral Claims in the Keno Hill area of Yukon Territory. The programme of exploration and development outlined in my report of September 8th, 1968, is estimated to cost \$100,000. The timing of this programme will depend on weather conditions, as the remote location and difficult access to the property dictates the necessity of starting the development during the summer months. With the main effort of Early Bird Mines concentrated on, first the Jim Claim and, second, the San Felipe property, it may be necessary to delay the Yukon programme until 1970. The necessary assessment work on the Dog Claims will have to be done in 1969, and a total of \$10,000 should be provided for this work.

Santa Domingo Placer Properties

The Santa Domingo placer properties, which are part of the Santa Domingo Mines, should be reviewed at this time. The reports by L.C. White, P. Eng., dated November 26th, 1965, and by S.J. Hunter, P. Eng., dated March 31st, 1966, are suited to a preliminary appraisal of the placers but events have made it imperative that the situation be reviewed. The price of gold has advanced from \$35.00 (U.S.) to \$42.00 (U.S.) per ounce. New means of transportation will become available with rehabilitation of the air-strip at the property and the completion, in the near future, of the government road into the area.

cont'd.

Santa Domingo - cont'd.

I recommend that an investigation of the placer properties be made in 1969 and that, pending the results of the study which will cost about \$3,500, an additional \$50,000 be provided to place the properties into production.

Summary of Costs

<u>First Priority</u>	JIM #1 Mineral Claim	
Present Drill Programme (funds now provided)		\$ 58,000
Additional Deep Drilling Plus Core House		\$ 50,000
<u>Second Priority</u>	San Felipe Property	
Exploration and Development		\$ 100,000
<u>Third Priority</u>	Santa Domingo Placer	\$ 53,500
<u>Fourth Priority</u>	Dog Claim Group	
Exploration		\$ 10,000
	Sub-Total	\$ 213,500
An additional contingency should be provided		\$ 25,000
	TOTAL	\$ 238,500

Respectfully submitted,
ARB Bullis
A.R. BULLIS, P. Eng.

ARB/msm:

CERTIFICATE OF QUALIFICATIONS

I, Albert Ralph Bullis, do hereby certify that:

1. I am a Consulting Geological Engineer, with residence at 5215 Saratoga Drive, Ladner, B.C.
2. I am a Registered Professional Engineer in the Provinces of British Columbia and Ontario.
3. I am a graduate of the University of British Columbia and have practiced my profession for sixteen years.
4. This resume is based on my personal knowledge of the properties discussed herein.
5. I have no interest, direct or indirect, in the properties or securities, of Early Bird Mines Ltd. (N.P.L.)

19th February, 1969

LADNER, B.C.



